

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03
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FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 2340
INFO AMEMBASSY BERN
AMEMBASSY LONDON
AMEMBASSY PARIS

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E.O. 11652: N/A
TAGS: EALR, EFIN, NL
SUBJECT: GOLD MARKET IN THE NETHERLANDS

REF: RE EAL WE 78-001

1. TO DETERMINE SIZE AND STRUCTURE OF DUTCH GOLD MARKET AND POSSIBLE USE OF IT BY SOVIET, CHINESE, AND MIDDLE EASTERN ENTITIES (REF), EMBASSY OFFICER CALLED ON MINISTRY OF FINANCE GOLD MARKET SPECIALISTS. OFFICIALS DESCRIBED MARKET AS SMALL AND SAID, SO FAR AS COULD BE DETERMINED, IMPORTED GOLD IS USED FOR INDUSTRIAL PURPOSES OR RE-EXPORTED. PURCHASES AND SALES OF GOLD FOR DUTCH MARKET ARE MAINLY ACCOMPLISHED IN LONDON OR OCCASIONALLY ZURICH. VIRTUALLY ALL GOLD IS IMPORTED BY RIJKS MINT AND TWO FIRMS: DRIJFHOUT AND ZOON'S EDELMETAAL BEDRIJVEN B.V. (POSTBUS 3687, NES 11-15, AMSTERDAM, PHONE: 020/246997) AND SCHONE EDELMETAAL N.V. (ROKIN 81-83, AMSTERDAM, PHONE: 020/242529). THESE TWO FIRMS PROCESS GOLD FOR INDUSTRIAL USE AND PURIFY IT OFTEN FOR RE-EXPORT.

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2. CENTRAL BUREAU OF STATISTICS (CBS) FIGURES FOR 1976 (LATEST AVAILABLE) SHOW NETHERLANDS IMPORTED 32,180 KGS OF UNFINISHED GOLD WORTH \$34 MILLION GUILDERS (\$1.00 EQUALS DFL 2.64 IN 1976) AND EXPORTED 4,705 KGS WORTH 46 MILLION GUILDERS. NETHERLANDS ALSO IMPORTED 19,056 KG (12 MILLION GUILDER VALUE) AND EXPORTED 7,161 KGS (76 MILLION GUILDER VALUE) OF SEVERAL KINDS OF SEMI-FINISHED FORMS OF GOLD IN 1976.

(MIN. OF FINANCE OFFICIALS SAY CBS FIGURES ARE MIS-LEADING WITH RESPECT TO PURE GOLD BECAUSE IN SOME CASES THEY INCLUDE PRODUCTS AS A WHOLE WHOSE GOLD CONTENT IS SMALL. MIN. FINANCE FIGURES FOR SOME FORMS OF PURE GOLD ACCOUNT FOR LESS THAN TEN PERCENT OF CBS STATISTICS BUT MINFIN FIGURES NOTABLY EXCLUDE GOLD IN BAR FORM). CURRENT CUSTOMS REGULATIONS DO NOT REQUIRE THE MAINTENANCE OF STATISTICS WHICH SHOW OR WHICH CAN BE USED TO CALCULATE THE SIZE OF GOLD IMPORTS AND EXPORTS BY BANKS, OTHER INSTITUTIONS, OR INDIVIDUALS FOR USE AS A STORE OF VALUE OR FOR SPECULATION ALTHOUGH GOLD SO USED IS PRESUMABLY INCLUDED IN CBS FIGURES. NO REPEAT NO OFFICIAL FIGURES SHOW IMPORT SOURCES OR EXPORT DESTINATIONS TO BE THE SOVIET UNION OR EASTERN EUROPE, THE PEOPLE'S REPUBLIC OF CHINA, OR MIDDLE EAST COUNTRIES.

3. WHILE DUTCH BANKING LAWS GIVE POTENTIAL BUYERS AND, SELLERS OF GOLD THROUGH FINANCIAL INTERMEDIARIES SAME OPPORTUNITIES FOR ANONYMITY AS IN OTHER WEST EUROPEAN COUNTRIES, OFFICIALS BELIEVE SMALL SIZE OF DUTCH GOLD MARKET AND ITS RELATIVE REMOTENESS FROM LONDON AND ZURICH TRADING CENTERS MAKE IT AN INCONVENIENT AND UNLIKELY PLACE FOR MAJOR GOLD FLOWS, CLANDESTINE OR OTHERWISE. IN ANY CASE, MIN FINANCE HAS SEEN NO EVIDENCE OF SUCH FLOWS.
BROWN

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Message Attributes

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Disposition Action: RELEASED
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